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NSC BRIEFING

5 October 1954

SOUTH KOREA

I. Present South Korea situation (Amb. Briggs--"disquieting and dangerous") is highly critical for US-ROK relations.

A. Rhee not yet agreed sign "minute of understanding," which calls for ROK co-operation in return for proposed US aid.

B. Apparently intends hard bargaining over "minute." Example-- recent statement that action on "minute" must await settlement of differences with Japan, which he has no intention of settling.

II. Rhee also ignoring strong US pressure halt his public attacks on US policies, officials.

A. Since return from Washington, has charged US official.

Japanese

STATE & NSC reviews completed

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- B. Claims troop withdrawals are "abandonment."
- C. Describes US aid as inadequate and improperly administered (statements exploited by Pyongyang radio).
- D. Belittles Manila Pact.

III. On 1 October, Rhee stopped supply ROK currency to UN Command, in effort force acceptance unrealistic 180-1 exchange rate.

IV. Also threatening international action possibly embarrassing to US.

- A. On 1 October, his information office said that "Communist spies" (Czech, Polish members of NNSC teams) must be expelled forthwith; reportedly threatened that NNSC members "would be picked up."

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- B. Has continued vilification Japan, stationed troops on disputed Liancourt Rocks, still seizing Japanese fishermen. Refuses submit Liancourt dispute to ICJ.
- C. May submit dissent to UN on forthcoming 16-nation report on Korean political conference at Geneva. Action would break united front, give Communists good propaganda issue.

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VI. Rhee appears depressed, uncertain: told Amb. Briggs on 27 September time had come for ROK "decide its own course." Later said South Korea in "great peril;" that unification under Communists was, perhaps, better than no unification at all.

- A. Possible all these threats primarily psychological pressure on US.
- B. However, Rhee resentful, emotionally disturbed over failure in Washington, angry over troop withdrawals. His present agitated mood could result in dangerous and irrational conduct.

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